

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-08  
FRB-03 INR-10 NSAE-00 ICA-11 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 PM-05 H-01 L-03 NSC-05  
PA-01 SS-15 CEA-01 STR-07 NEA-10 IO-13 /122 W  
-----022305 190436Z /11

R 180836Z AUG 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 0324

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USADB

FOR NAC AGENCIES

EO 11652:N/A  
TAGS: EAID, EFIN ADB  
SUBJECT: REVIEW OF ARRANGEMENTS FOR LENDING FROM THE  
- ASIAN DEVELOPMENT FUND

REF: (A) TREASURY 78-107, (B) MANILA 11903

1. ON AUGUST 17, ADB BOARD OF DIRECTORS CONSIDERED ADB  
DOC R67-78 ON REVIEW OF ARRANGEMENTS FOR LENDING FROM THE  
ASIAN DEVELOPMENT FUND.

2. AUSTRALIAN EXECUTIVE DIRECTOR URGED THAT GROUP B  
COUNTRIES SHOULD RECEIVE UP TO 30 PERCENT OF ADF LENDING  
IN 1978 AND DURING THE DURATION OF ADF III, WITH MAJOR  
SHARE BEING ALLOCATED TO INDONESIA. AT THE OTHER EXTREME,  
EDS FROM CANADA, GERMANY AND BELGIUM FELT THAT 15 PERCENT  
WAS TOO MUCH FOR GROUP B COUNTRIES. U.S., JAPANESE AND  
INDIAN EDS SUPPORTED MANAGEMENT PROPOSAL. ALL EDS  
REPRESENTING BORROWING COUNTRIES EXCEPT SRI LANKA ALSO  
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SUPPORTED THE PROPOSAL IN LUKEWARM FASHION PROBABLY  
BECAUSE THEY EACH HAD DIVIDED LOYALTIES (I.E., THEY  
REPRESENTED THE FOUR GROUP B AS WELL AS GROUP A COUNTRIES).

3. IN SUPPORTING THE PROPOSAL, U.S. ED MADE POINTS ALONG  
THE LINES OF REFTTEL A, INCLUDING THE POINT THAT THE AMOUNTS  
FOR GROUP B COUNTRIES SHOULD NOT EXCEED 15 PERCENT OF TOTAL

ADF LENDING DURING THE PERIOD UNDER CONSIDERATION. IN THIS REGARD, MANAGEMENT OBSERVED THAT CONCESSIONAL FUNDS AVAILABLE IN 1978 MAY WELL REACH \$365-\$370 MILLION, OF WHICH GROUP B COUNTRIES COULD RECEIVE 15.5 TO 16 PERCENT. THIS IS DUE TO THE FACT THAT PAPUA NEW GUINEA DID NOT RECEIVE ANY ADF LOANS IN 1977, AND THUS RECEIVED TWO LOANS THIS YEAR, BOTH OF WHICH WERE FROM CONCESSIONAL RESOURCES.

4. PRESIDENT YOSHIDA CONCLUDED THAT THERE WAS A MAJORITY IN FAVOR OF ALL RECOMMENDATIONS IN PARAGRAPH 65 OF DOC R67-78 EXCEPT FOR SUB-PARAGRAPH (L), WHERE MOST EDS EXPRESSED A STRONG PREFERENCE THAT AN INTERIM REVIEW BE CONDUCTED ABOUT THIS TIME IN 1980. THE PRESIDENT AGREED TO HOLD SUCH A REVIEW IN TWO YEARS' TIME. EDMOND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LOANS, DEVELOPMENT BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978MANILA14436  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** 78 MANILA 11903  
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**Review Event:**  
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**TAGS:** EAID, EFIN, ADB  
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**Review Markings:**  
Sheryl P. Walter  
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